

Message Text

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PAGE 01 STATE 050884
ORIGIN EB-08

INFO OCT-01 EA-07 ISO-00 L-03 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 H-01 SS-15
NSC-05 SSO-00 NSCE-00 INRE-00 /049 R

DRAFTED BY EB/AN:TJROESCH:DLS
APPROVED BY EB:JLKATZ
EA:EHEGINBOTHAM (DRAFT)
L/EB:PTRIMBLE (DRAFT)
EB/AN:RABROWN
CAB:RTJOHNSON (INFO)
-----081629Z 073869 /50
O 081610Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY MANILA IMMEDIATE

C O N F I D E N T I A L STATE 050884

FOR AMBASSADOR SULLIVAN FROM ASSISTANT SECRETARY KATZ

E.O. 11652: GDS

TAGS: RP, EAIR

SUBJECT: CIVAIR: PAL ALL-CARGO PROBLEM

REF: A) MANILA 3175; B) MANILA 2186; C) STATE 30478

1. YOUR SEVERAL MESSAGES AND ESPECIALLY REF A HAS PROVOKED
ME TO REVIEW IN DETAIL THE HISTORY OF THE ALL-CARGO
PROBLEM WITH THE PHILIPPINES, INCLUDING THE RECORD OF
THE NEGOTIATIONS WHICH LED TO THE 1974 INTERIM AGREEMENT,
THE EXCHANGE OF CABLES BETWEEN THE DEPARTMENT AND THE
EMBASSY AT THAT TIME AND THE RECENT EVENTS CONCERNING
THE DISAPPROVAL OF PAL'S APPLICATION. I AGREE WITH YOU
THAT ON THE FACE OF IT OUR POSITION APPEARS TO BE WEAK
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ARISING FROM THE WORDING OF THE 1974 AGREEMENT. AT
THE SAME TIME, THE FILES REFLECT THAT THE EMBASSY
PERSUADED THE DEPARTMENT THAT THE WORDING OF THE
AGREEMENT WAS ADEQUATE, AND THAT THE ABSENCE OF AN AGREED
UNDERSTANDING ON THE MEANING OF THE PHRASE "SYMPATHETIC
CONSIDERATION" WAS UNNECESSARY. IT APPEARS THAT THE
EMBASSY EVEN PERSUADED THE DEPARTMENT THAT A UNILATERAL

AIDE MEMOIRE BY THE U.S. STATING OUR POSITION ON
"SYMPATHETIC CONSIDERATION" SHOULD NOT BE SENT. THE
RECORDS INDICATE THAT OUR OBJECTIVE CLEARLY WAS TO MAIN-
TAIN THE STATUS QUO ON CARGO SERVICES, AND YOU RECEIVED

EXPLICIT ASSURANCES FROM PRESIDENT MARCOS ON THE FTL
RENEWAL WHICH WAS THE SPECIFIC PROBLEM BEFORE US AT THE
TIME.

2. NOT WITHSTANDING THE WEAKNESS OF OUR POSITION BASED
ON THE LITERAL TEXT OF THE AGREEMENT, IT SEEMS VERY CLEAR
THAT SINCE 1974 THE GOP HAS GIVEN NO EVIDENCE OF
"SYMPATHETIC CONSIDERATION" IN ITS DEALINGS WITH U.S.
AIRLINES. SPECIFICALLY, IT HAS FAILED TO PERMIT
MAINTAINANCE OF THE STATUS QUO. PAN AM'S PERMIT TO
OPERATE THREE ALL-CARGO FLIGHTS (TWO ARE MILITARY AND MAIL
AND ONE WAS COMMERCIAL) WAS NOT RENEWED AND ITS LATER
APPLICATION WAS DISAPPROVED. FTL'S APPLICATION FOR CHANGE
OF EQUIPMENT WAS DEFERRED.

3. UNDER SECTION 801 OF THE FEDERAL AVIATION ACT OF 1958,
VARIOUS CAB ORDERS INVOLVING INTERNATIONAL AVIATION ARE
SUBJECT TO PRESIDENTIAL REVIEW DURING WHICH THE DEPARTMENT
AND OTHER INTERESTED AGENCIES ARE CALLED UPON TO COMMENT
OR ADVISE THE PRESIDENT. IN THIS CASE, ON FEBRUARY 8, WE
BECAME AWARE OF THE CAB'S INTENTION TO DISAPPROVE PAL'S
APPLICATION AND CABLED THE EMBASSY, FEBRUARY 10, TO THIS
EFFECT. THE CAB ORDER WAS NOT SUBMITTED TO THE WHITE
HOUSE UNTIL FEBRUARY 17. AFTER CONSIDERING THE IMPLICA-
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TIONS OF THIS ORDER, INCLUDING A CAREFUL REVIEW OF THE
EMBASSY'S POSITION (REF B), THE DEPARTMENT FELT IT SHOULD
NOT OPPOSE IT. SINCE THERE WAS NO OPPOSITION EITHER BY
STATE OR OTHER AGENCIES, THIS ORDER BECAME EFFECTIVE
FEBRUARY 27.

4. GOP SHOULD BE AWARE THROUGH U.S. CIVAIR TEAM'S FEB
17-18 VISIT AND OUR FEB 28 DIPLOMATIC NOTE THAT OUR
IMMEDIATE OBJECTIVE IS GOP APPROVAL OF FTL'S EQUIPMENT
CHANGE, SINCE FTL'S CAPACITY LEVEL WOULD NOT CHANGE AND
THERE IS NO ECONOMIC IMPACT ON PHILIPPINES AND PAL AND GOP
FOOT DRAGGING HARDLY WITHIN THE SPIRIT OF THE 1974
AGREEMENT. IF GOP GRANTED FTL REQUEST THIS WOULD RESULT IN
CAB APPROVAL OF PAL'S ALL-CARGO SERVICE AND ELIMINATION OF
AN UNNECESSARY IRRITANT. HOW DO YOU THINK WE MIGHT
ACCOMPLISH THIS OBJECTIVE?
VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR CARGO, AIR ROUTES, AVIATION AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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From: STATE
Handling Restrictions: n/a
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Litigation Codes:
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